

Message Text

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ACTION SSM-05

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C O R R E C T E D C O P Y / N O T P A S S E D E S Y S T E M S .
FOR SSM

SSM PASS E-SYSTEMS, INC., GREENVILLE, TEXAS

E.O. 11652: N/A

TAGS: PFOR

SUBJECT: SYMMETRY IN SFM EXPENDITURES

I. SUMMARY: IN RESPONSE OUR INTERNAL OBJECTIVE OF ACHIEVING
SYMMETRY FOR US SINAI EXPENDITURES IN EGYPT AND ISRAEL,
FOLLOWING REPORT IS SUBMITTED ON FIRST SEVEN MONTHS SFM
OPERATIONS.

TOTAL ACTUAL SFM DISBURSEMENTS FOR MONTHS FEBRUARY
THROUGH AUGUST WERE DOLS 502,603 IN ISRAEL AND DOLS 96,983
IN EGYPT, OR 84 PERCENT IN ISRAEL AND 16 PERCENT IN EGYPT.
FOR LAST TWO MONTHS, REPRESENTING START NORMAL OPERATIONS AND
BETTER BASE FOR PROJECTIONS, PERCENTAGES ARE 86 AND 14.

EXAMINATIONS GOODS AND SERVICES FOR WHICH DISBURSEMENTS
MADE INDICATES SOME POSSIBILITY IMPROVE BALANCE OF
EXPENDITURES BUT LITTLE REAL LIKELIHOOD OF ACHIEVING EQUALITY.
WHILE THIS MATTER OF SOME DISAPPOINTMENT, DO NOT THINK SUMS
INVOLVED ARE SUFFICIENTLY SIGNIFICANT TO AFFECT US OR SFM RELATIONA
SHIPS IN AREA. ALSO, THIS MATTER DOES NOT APPEAR CENTRAL TO SFM
MISSION AND WE HAVE HEARD NO ADVERSE COMMENTS FROM EITHER SIDE.
SFM WILL CONTINUE SEEK BETTER BALANCE, BUT WE DO NOT BELIEVE THIS
OBJECTIVE SHOULD BY
WEIGH CONSIDERATIONS OF QUALITY, TIMELINESS,
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AND MORALE IN PURCHASING GOODS OR SERVICES.

II. EXPENDITURES: EXPENDITURES IN EGYPT AND ISRAEL BY SFM/USG AND SFM/ESYSTEMS CONTRACTOR HAVE FLUCTUATED CONSIDERABLY, ESPECIALLY IN EARLY MONTHS OF MISSION. THIS DUE PRIMARILY TO SIGNIFICANT ONE-TIME COSTS OF UNLOADING, TRANSPORT, CONSTRUCTION NEEDS, AND SETTLING IN OF SAFEHAVEN FAMILIES. CONTRACTORSPENDITURES ARE ABOUT 85 PERCENT ALL DISBURSEMENTS AND WILLPROBABLYCONTINUE AT THIS LEVEL.

ACTUAL DISBURSEMENTS BY SFFGXESYSTEMS ARE:

MONTH	ISRAEL	EGYPT	TOTAL	ISRAEL SD	EGYPT
FEB	153,025.94	0	153,025.94	100 PCT	0 PCT
MAR	20,416.83	0	20,416.83	100 PCT	0 PCT
APR	33,503.14	12,364.45	45,867.59	73 PCT	27 PCT
MAY	59,577.39	5,807.51	65,384.90	91 PCT	9 PCT
JUNE	41,030.33	17,315.07	58,345.40	70 PCT	30 PCT
JULY	69,491.47	13,228.34	82,719.81	84 PCT	16 PCT
AUG	78,377.76	10,045.75	88,423.51	89 PCT	11 PCT
TOTALS	455,422.86	58,761.12	514,183.98	88 PCT	12 PCT

ACTUAL DISBURSEMENTS BY SFM/USG ARE:

MONTH	ISRAEL	EGYPT	TOTAL	ISRAEL	EGYPT
FEB	0	0	0	0 PCT	0 PCT
MAR	4,806.00	7,058.00	11,864.00	41 PCT	59 PCT
APR	2,576.00	14,558.00	17,134.00	15 PCT	85 PCT
MAY	4,146.00	9,878.00	14,024.00	30 PCT	70 PCT
JUNE	17,078.00	1,470.00	18,548.00	92 PCT	8 PCT
JULY	13,180.00	3,706.00	16,886.00	78 PCT	22 PCT
AUG	5,394.00	1,552.00	6,946.00	78 PCT	22 PCT
TOTALS	47,180.00	38,222.00	85,402.00	55 PCT	45 PCT

TO ABOVE FIGURES, AND TO TOTAL CITED IN SUMMARY ABOVE, SSM SHOULD ADD TWO OTHER SPECIAL EXPENDITURES ON WHICH OUR DATA NOT COMPLETE. FIRST IS ESTIMATED FAAS COSTS IN ISRAEL OF \$999 AND IN EGYPT \$1,686. SECOND IS ONE-TIME ALLOTMENT TO AMEMBASSY ISRAEL OF \$50,000 AND TO AMEMBASSY CAIRO OF \$75,000 FOR EXPENDITURES ON BEHALF SFM. DISBURSEMENTS HAVE BEEN REPORTED TO DEPARTMENT AND LIMITED OFFICIAL USE

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WE HAVE NO MONTHLY RECORD OR ITIMIZATION.

III. PERSONAL R&R EXPENDITURES: ESTIMATED R&R EXPENDITURES BY INDIVIDUALS FROM OWN FUNDS IN EGYPT AND ISRAEL APPROXIMATES RATIO OF USG AND CONTRACTOR DISBURSEMENTS. ASSUMING DOLS 300 SPENT PER SEVEN DAY R&R PERIOD, 24 USG EMPLOYEES ARE ESTIMATED TO HAVE EXPENDED DOLS 9,000 IN TEL AVIV AND DOLS 3,08) IN CAIRO, OR 82 AND 18 PERCENT.

CONTRACTOR EMPLOYEE EXPENDITURES ARE MORE SIGNIFICANT DUE
LARGER NUMBERS (NOW 146). ESYSTEMS RATIO IS ROUGHLY SAME:

MONTH	ISRAEL	EGYPT	ISRAEL	EGYPT	ISRAEL	EGYPT
FEB	1	0	200.00	0	100 PCT	0 PCT
MAR	7	0	1,400.00	0	100 PCT	0 PCT
APR	19	0	3,800.00	0	100 PCT	0 PCT
MAY	37	3	7,400.00	600.00	92.5 PCT	7.5 PCT
JUNE	27	3	5,400.00	600.00	90.0 PCT	10.5 PCT
JULY	99	21	19,800.00	4,200.00	82.5 PCT	17.5 PCT
AUG	102	17	20,000.00	3,400.00	86.0 PCT	14.0 PCT
TOTAL	292	44	58,400.00	8,800.00	87.0 PCT	13.0 PCT

OUR CURRENT POLICY IS TO FACILITATE R&R IN EGYPT, AND
TO MAKE IT AS ATTRACTIVE AS POSSIBLE, BUT IN INTEREST MORALE
NO HARD SELL IS PRACTICED. FREE CHOICE BETWEEN DESIGNATED
R&R AREAS IS TOO SERIOUS ISSUE AFTER SINAI ISOLATION TO
BE SUBJECT MUCH MANIPULATION.
IV. MAJOR DISBURSEMENT ELEMENTS: MAJOR GOODS OR SERVICES
PURCHASED BY SFM HAVE BEEN:

USG	ESY
QUARTERS RENTALS	POL PRODUCTS
QUARTERS RENOVATIONS	FOOD
QUARTERS OPERATIONS	FREIGHT COSTS
LOCAL SALARIES (3 IN CAIRO)	VEHICLE MAINTENANCE & PARTS
TRANSPORT SUPPLIES & HHE	OFFICES TEL AVIV AND CAIRO
LOCAL PURCHASES	R&R CASH PAYMENTS
	BASE CAMP MERCHANDISE

THESE ELEMENTS ARE NOT SUBJECT ANY SIGNIFICANT SHIFTING
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FROM ONE COUNTRY TO ANOTHER WITHOUT LOSS IN QUALITY, TIMELINESS,
OR MORALE. ALL POL PRODUCTS, SAVE OCCASIONAL EMERGENCY
PURCHASE, ARE REGULARLY BOUGHT IN EGYPT. FOOD IS PURCHASED
IN ISRAEL. QUALITY, PACKAGING, TRANSPORT AND PUBLIC HEALTH
CONSIDERATIONS LARGELY PRECLUDE EGYPT. FREIGHT HANDLING IS MORE
EFFICIENT IN ISRAEL BUT TRANSPORT AND HANDLING COSTS ARE MUCH
CHEAPER IN EGYPT. IRREGULAR PONTOON TRAFFIC ACROSS CANAL, HOWEVER,
AND POOR EAST BANK ROAD CONDITIONS ARE SIGNIFICANT NEGATIVE
FACTORS. FOR MAINTENANCE AND PARTS, SERVICE AND AVAILABILITY
ARE MUCH SUPERIOR IN ISRAEL. SFM DOES NOT HAVE THAT MUCH
MATERIEL OR TIME TO PERMIT MUCH DEADLINES IN INTEREST OF
BALANCING ACCOUNTS.

V. SYMMETRY EFFORT: SFM IS TRYING TO LESSEN THE DIS-
PROPORTIONATE BALANCE BY RIDING CLOSEHEARDON POL DELIVERIES

BY MOBIL OIL SUEZ, INCREASING SUPPLY PURCHASES AS POSSIBLE
IN EGYPT, BUYING FROM US RATHER THAN ISRAEL WHERE TIME ALLOWS,
OBTAINING WIDE VARIETY OF TOUR INFO ON EGYPT, AND ASSIGNING
MORE AGGRESSIVE CONTRACTOR LOGISTICS MAN TO CAIRO. SUGGEST
OBSERVING RESULTS FOR SEVERAL MONTHS AND THEN REVIEWING
VALUE SYMMETRY OBJECTIVE IN CONTENT OTHER CONSIDERATIONS.
THORNE

NOTE BY OC/T: NOT PASSED ABOVE ADDRESSEE.

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